

What Is Agribusiness?

This article appeared in The Chicago Farmers' Farm Journal in Spring, 2002, and describes what agribusiness law is. Contact - Lynne R. Ostfeld, P.C., 300 N. State St., Suite 5405, Chicago, IL 60654; fax: (312) 645-1515; e-mail: ostfeld@ostfeldlaw.com

The farmer's (grand)daughter, or how can you get them back on the farm once they've seen Paree?

by Lynne R. Ostfeld

I am frequently asked how a farm girl ended up in Chicago with a French legal practice. Well, being born in Chicago, I am not from a farm, although my mother and fellow TCF member, Mildred Ostfeld, is. She comes from Radnor Township in Peoria County and we still own the farm her great-grandparents settled in the 1850s. My father came from New York to Chicago and never could get his sweet corn to hold its own, even though surrounded by those acres of field corn. I do not have a French legal practice, but have a general civil practice here. I am also associated with a law firm two streets outside of Paris, and I am one of two attorneys accredited to the French Consulate in Chicago. This means, loosely explained, that the Consulate refers people to me who have need of a French speaking, competent lawyer.

What does the above have to do with agriculture? Not much, but it has a lot to do with international agribusiness.

My legal practice concentrates on corporate law, litigation and small estate planning and probate. While that can be rather diverse on first view, it is the legal assistance to individuals and small to medium size companies that brings in this type of work; it is my ability to communicate in French that attracts French speaking clients, here and in France. International agri-business, although not a major part of my work, crosses the lines of all these things because it is, in its simplest form, nothing more than corporate work by individuals and small companies which crosses international borders.

As chair of the Agri-business Committee of the Chicago Bar Association, we have addressed issues ranging from preserving the integrity of the family farm through sophisticated tax planning (John D. Marshall of the law firm Mayer, Brown & Platt), the agricultural views of the Bush and Gore presidential campaigns, crop and animal insurance issues (Peter Griffin, Ph.D.), government agriculture subsidies (Joseph A. Miller, American Farm Bureau), and definitions and goals of the organic food movement (Michael Bashaw, Whole Foods).

The mushrooming (sorry for the comparison) organic food movement has its parallel in France, as elsewhere in the world, and needs to be understood to better promote our agri-business interests. This is not from the point of view of the Cargills and ADMs of the world, but from the position of the farmer who is running his, or her, own relatively

small corporation.

G rard Changeux, a French consultant in the food industry, has written an interesting article describing, in greater detail than I can do here, the concerns of the French public regarding what they put in their mouths and how producers can tailor their products to profit from this concern. (On request, I will send to you the French and/or the English version of this article).

The French, who interestingly enough may have coined the phrase, "a chicken in every pot" (Henri IV), take food seriously: the taste, the smell, the nutritional value, the appearance. Their interest in food is quite often greater than the average American's interest in baseball, or even religion. Their inherent distrust of government and the ever-present government bureaucracy, causes them to question the content, the value and the purpose of what they eat, much more than we do. There is reason for this, which does not yet seem to exist on this side of the Atlantic: mad cow disease (la vache folle); foot and moth disease (fièvre aphteuse), listeria. These problems come not too many years after a scandal whereby hemophiliacs were given HIV tainted blood transfusions with possible government knowledge. Thus, if the government is not monitoring what gets put into the food chain in the beginning, with what animals are fed, why should the people believe that agricultural officials are monitoring earlier steps, with the application of fertilizers, pesticides or, even, the content of the seeds themselves?

A nation quite oriented to scientific reasoning, and that even before the appearance of the Lumière brothers who invented moving pictures, or Louis XVI's activities with varieties of locks, has not yet seen satisfying scientific research that genetically modified organisms (OMG) are safe. With the incidence of the other death causing diseases, they are increasingly questioning the use of any "chemicals" (I put that in quotation marks because my chemist brothers say that everything is composed of chemicals) on what they eat.

The French, and many other Europeans, are increasingly turning to organic ("bio") food products. They are demanding labeling on what they buy to eat ("AB"=Agriculture Biologique), not only to see the content of the main product but also of what went before the main product (i.e., that meat products come from cattle free of hormones or feed that contains GMO grains). At the same time, and because of the distrust of large entities, French consumers are increasingly buying products produced by small enterprises, where more attention is presumed to be given to the product. In fact, for the last few years and for this reason, large supermarket chains have been trying to sell more and more product made by small companies, despite having a concentration of fewer brand names. Again, Gerard Changeux's excellent and informative article explains the psychology of this.

Getting back to the (grand)daughter, we are a global marketplace, even down on the farm in Radnor Township. It makes sense to create small corporations or partnerships to protect a person's interest in his or her work, and to transfer it to family members. It is

important to understand the differences in corporate functioning and contract drafting between France and the United States (or, even Illinois and Indiana) in order to eliminate otherwise self-evident problems. It is essential to know about government regulations to get a product out of one country and onto the grocery shelves in another. If agreements fail, which happens from time to time, it is then necessary to resort to dispute resolution, or lawsuits, to try to recoup as much money or product as possible. All of that is what I, the product of rural and city cultivation, do. The chance to taste the object of my efforts, and to do it in a sidewalk café in Paris, Lyon, or Cognac, is what makes it fun.